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LISTING STATEMENT No. 2001

LISTED SEPTEMBER 15th, 1958  
3,000,000 shares of 50¢ par value  
Ticker abbreviation CRI  
Dial ticker number 695  
Post section 9.3

OCT 31 1958

TORONTO STOCK EXCHANGE

LISTING STATEMENT

CRAIGMONT MINES LIMITED

(Non-Personal Liability)

Incorporated under the Companies Act of British Columbia on the 27th day of September, 1946.

1. Address of the Company's Head Office and of any other offices:  
Suite 213, 678 Howe Street, Vancouver, British Columbia.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Raymond Collishaw	2627 Ottawa Street, West Vancouver, B.C.	R.A.F. (retired)
Vice-President	Earl M. Olts	2890 Pt. Grey Road, Vancouver, B.C.	Executive
Secretary	Neil H. McDiarmid	6186 Candia Place, West Vancouver, B.C.	Barrister & Solicitor

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Raymond Collishaw	2627 Ottawa Street, West Vancouver, B.C.	R.A.F. (retired)
Earl M. Olts	2890 Pt. Grey Road, Vancouver, B.C.	Executive
Neil H. McDiarmid	6186 Candia Place, West Vancouver, B.C.	Barrister & Solicitor
J. Douglas Little	3475 Balaclava Street, Vancouver, B.C.	Mining Engineer
Vernon F. Taylor, Jr.	Denver Club Building, Denver, Colorado	Executive
Richard Valentine Porritt	44 King Street West, Toronto, Ontario	Mining Executive

4. Names and addresses of all transfer agents:  
The Guaranty Trust Company of Canada,  
70 Richmond Street West, Toronto, Ontario, and  
624 Howe Street, Vancouver, B.C.

5. Particulars of any fee charged upon transfer other than customary government taxes:  
50¢ for each share certificate.

6. Names and addresses of all registrars:  
The Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, B.C.

7. Amount of authorized capital: \$1,500,000.00

8. Number of shares and par value: 3,000,000 shares of a nominal or par value of 50¢ each.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

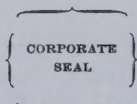
Date	Number of Shares	Description
Nov. 2, 1954.....	449,995	By assignment to Company from Neil Howard McDiarmid dated August 25, 1954 of Option to Purchase 8 mineral claims dated August 17, 1954, for \$250,000.
Feb. 8, 1957.....	150,000	By Assignment dated July 25th, 1956, of 28 mineral claims from Neil Howard McDiarmid to Company.
Feb. 8, 1956.....	100,000	\$4000.00 and 100,000 shares paid to J. A. Crossie and Nora Agabob in full payment for 40 mineral claims by Agreement dated April 12, 1956.
Nov. 4, 1957.....	10,000	Issued to B. I. Nesbitt and John Ives for 31 mineral claims.
Total.....	709,995	

10. Full details of all shares sold for cash.	Date	Number of Shares	Price per Share	Amount realized by Company
	1954.....	41,225	.40	\$ 16,490.00
	1954.....	11,951	.37½	4,481.625
	1954.....	15,000	.38½	5,775.00
	1954.....	10,755	.50	5,377.50
	1955.....	5,140	.37½	1,927.50
	1955.....	1,000	.40	400.00
	1956.....	200,000	.15	30,000.00
	1957.....	50,000	.20	10,000.00
	1957.....	235,844	.30	70,753.20
	1957.....	100,000	.40	40,000.00
	1957.....	200,000	.50	100,000.00
	1958.....	300,000	.50	150,000.00
	1958.....	100,000	2.40	240,000.00
	Total.....	1,270,915		\$675,204.825
11. Total number of shares issued.	1,980,910			
12. Number of shares now in treasury or otherwise unissued.	1,019,090			
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	None			
14. Date of last annual meeting.	December 18, 1957			
15. Date of last report to shareholders.	July 29th, 1958—Progress Report presented at Extraordinary General Meeting.			
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	<p>Incentive option to R. E. Renshaw for 25,000 shares at 60¢ a share and incentive option to F. L. C. Price for 25,000 shares at 60¢ a share by agreements dated 7th day of September, 1957.</p> <p>Both options at the rate of 5000 shares per year until September 10, 1962.</p>			
17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.	<p>All shares freed by authority of Superintendent of Brokers of the Province of British Columbia. Forty per cent (273,000 shares) released 22nd day November, 1957, and sixty per cent (409,500 shares) released April 1, 1958.</p>			
18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	None remain current			
19. Has any application for registration with, or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	No			
20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None			

<p>21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:</p> <p>(a) Properties owned where titles vested in Company.</p> <p>(b) Properties leased.</p> <p>(c) Properties otherwise held.</p>	<p>Mineral claims held under Mining Act of British Columbia enumerated in Schedule "A" on page 5. 160 acres in fee simple registered under Certificate of Title No. 196851-F and described as District Lot 1915, Kamloops Division, Yale District.</p> <p>Nil</p> <p>Nil</p>
<p>22. Full particulars of any royalties or other charges payable upon production from each individual property.</p>	<p>Agreement between Craigmont Mines Limited (NPL) and Canadian Explorations Limited, Noranda Mines Limited and Peerless Oil &amp; Gas Company dated June 1st, 1958 provides that once Craigmont and the Operators receive all their money back then all benefits derived shall be divided 40% to Craigmont and 60% to the Operators.</p>
<p>23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.</p>	<p>No lawsuits, but an oral claim has been made against the Company in respect of claims McLeod 7 and 8. This claim has not been pursued and it is the opinion of the Company's solicitors, based on the facts presented to them, that the claim has no merit in law.</p>
<p>24. Describe plant and equipment on property.</p>	<p>All plant and equipment delivered up to the Operators pursuant to the Operating Agreement dated June 1st, 1958.</p>
<p>25. Describe development accomplished and planned.</p>	<p>Approximately 10,000 feet of diamond drilling completed. Future development will include diamond drilling and tunnelling by the new Operators.</p>
<p>26. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.</p>	<p>E. P. Chapman, Jr., Chapman, Wood &amp; Griswold, Abuquerque, New Mexico.</p>
<p>27. Full particulars of production to date.</p>	<p>Properties are in exporation stage only.</p>
<p>28. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.</p>	<p>No</p>
<p>29. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.</p>	<p>Nemetz Austin Nicholls &amp; Co., Suite 212-678 Howe Street, Vancouver, British Coubmia.</p>

30. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	Approved for listing on Vancouver Stock Exchange March 21st, 1958 and commenced trading on the same date.
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No
(c) Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.	No
31. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<p>Air Vice Marshall Raymond Collishaw — R.A.F. (retired).  Neil Howard McDiarmid — Member of Bar 20 years.  Earl M. Olts — Executive — previously in lumber business.  Douglas H. Little — Engineer — Canadian Exploration Ltd.  Vernon F. Taylor, Jr., — Mining &amp; Oil Executive.  Richard Valentine Porritt, — Mining Executive — Noranda Mines Ltd.</p>

Dated at Vancouver the 29th day of August, 1958.



CRAIGMONT MINES LIMITED (Non-Personal Liability)

"R. COLLISHAW", President

"N. H. McDIARMID", Secretary

**STATEMENT SHOWING NUMBER OF SHAREHOLDERS  
as of August 1st, 1958**

Number	Shares
24 Holders of 1 — 100 shares .....	1,928
134 " " 101 — 1000 " .....	69,350
15 " " 1001 — 2000 " .....	25,449
6 " " 2001 — 3000 " .....	17,000
5 " " 3001 — 4000 " .....	18,725
5 " " 4001 — 5000 " .....	24,000
38 " " 5001 — up " .....	1,824,458
227 Stockholders	Total Shares..... 1,980,910

# SCHEDULE "A"

(Referred to in Item 21 on page 3)

## LIST OF MINERAL CLAIMS IN NICOLA MINING DIVISION (MERRITT RECORDING OFFICE) HELD BY CRAIGMONT MINES LIMITED (N.P.L.) AS AT MAY 30th, 1958.

NAME OF CLAIM		TAG No.	RECORD No.	EXPIRY DATE
Chester	No. 1	B48901	1528	October 14, 1958
Chester	No. 2	B48900	1529	October 14, 1958
Chester	No. 3	B48903	1530	October 14, 1958
Chester	No. 4	B48902	1531	October 14, 1958
Chester	No. 5	B48905	1532	October 14, 1958
Chester	No. 6	B48904	1533	October 14, 1958
Chester	No. 7	B48907	1534	October 14, 1958
Chester	No. 8	B48906	1535	October 14, 1958
Edith	No. 7	B48909	1526	October 14, 1958
Edith	No. 8	B48908	1527	October 14, 1958
Edith	No. 1	B48923	1775	December 15, 1958
Edith	No. 2	B48924	1776	December 15, 1958
Loe	No. 1	B87909	2488	February 10, 1959
Loe	No. 2	B87910	2489	February 10, 1959
Loe	No. 3	B87911	2490	February 10, 1959
Loe	No. 4	B87912	2491	February 10, 1959
Loe	No. 5	B87913	2492	February 10, 1959
Loe	No. 6	B87914	2493	February 10, 1959
Loe	No. 7	B87915	2494	February 10, 1959
Loe	No. 8	B87916	2495	February 10, 1959
Buck	No. 1	287431	4741	April 24, 1959
Buck	No. 2	287432	4742	April 24, 1959
Buck	No. 3	287433	4743	April 24, 1959
Buck	No. 4	287434	4744	April 24, 1959
Buck	No. 5 Fr.	287435	4745	April 24, 1959
Buck	No. 6 Fr.	287436	4746	April 24, 1959
Hec	No. 1	299341	4804	June 17, 1959
Hec	No. 2	299342	4805	June 17, 1959
Hec	No. 3	299343	4806	June 17, 1959
Hec	No. 4	299344	4807	June 17, 1959
Hec	No. 5 Fr.	299345	4808	June 17, 1959
Hec	No. 6	299346	4809	June 17, 1959
Hec	No. 7	299347	4810	June 17, 1959
Hec	No. 8	299348	4811	June 17, 1959
Hec	No. 9	299349	4812	June 17, 1959
Hec	No. 10	299350	4813	June 17, 1959
Hec	No. 15	287445	4822	June 21, 1959
Hec	No. 16	287446	4823	June 21, 1959
Hec	No. 17	287447	4824	June 21, 1959
Hec	No. 18	287448	4825	June 21, 1959
Hec	No. 19	287449	4826	June 21, 1959
Hec	No. 20	287450	4827	June 21, 1959
Price	No. 1 Fr.	287411	4907	August 1, 1958
Price	No. 2 Fr.	287412	4908	August 1, 1958
Price	No. 3	287413	4909	August 1, 1958
Price	No. 4	287414	4910	August 1, 1958
Price	No. 5	287415	4911	August 1, 1958
Price	No. 6	287416	4912	August 1, 1958
Price	No. 7	287417	4913	August 1, 1958
Price	No. 8	287418	4914	August 1, 1958
Merchants	No. 1	287405	4934	August 12, 1958
Merchants	No. 2	287406	4935	August 12, 1958
Merchants	No. 3	287407	4936	August 12, 1958
Merchants	No. 4 Fr.	287408	4937	August 12, 1958
Paystin	No. 1	287401	4930	August 12, 1958
Paystin	No. 2	287402	4931	August 12, 1958
Paystin	No. 3 Fr.	287403	4932	August 12, 1958
Paystin	No. 4	287404	4933	August 12, 1958
Paystin	No. 5	B21305	1145	September 29, 1958
Paystin	No. 6	B21306	1146	September 29, 1958
Craig	No. 1	287487	4340	October 5, 1958
Craig	No. 2	287488	4341	October 5, 1958

# SCHEDULE "A"

(Continued)

NAME OF CLAIM	TAG No.	RECORD No.	EXPIRY DATE
Quartzite No. 1	B10869	4232	August 29, 1958
Quartzite No. 2	B10868	4233	August 29, 1958
Quartzite No. 3	B10877	4234	August 29, 1958
Quartzite No. 4	B10878	4235	August 29, 1958
Quartzite No. 5	B10879	4236	August 29, 1958
Quartzite No. 6	B10870	4237	August 29, 1958
Merchants No. 5	B21315	1147	September 29, 1962
Merchants No. 6	B21310	1148	September 29, 1962
Merchants No. 7	B21309	1149	September 29, 1962
Merchants No. 8	B21308	1150	September 29, 1962
McLeod No. 1	B48911	1767	December 15, 1962
McLeod No. 2	B48910	1768	December 15, 1962
McLeod No. 3	B48913	1769	December 15, 1962
McLeod No. 4	B48912	1770	December 15, 1962
McLeod No. 5	B48915	1771	December 15, 1962
McLeod No. 6	B48914	1772	December 15, 1962
McLeod No. 7	B48917	1773	December 15, 1962
McLeod No. 8	B48916	1774	December 15, 1962
Merrell No. 1	B23450	1256	December 20, 1962
Merrell No. 2	B23451	1257	December 20, 1962
Merrell No. 3	B23452	1258	December 20, 1962
Merrell No. 4	B23453	1259	December 20, 1962
Merrell No. 5	B23454	1260	December 20, 1962
Merrell No. 6	B23455	1261	December 20, 1962
Merrell No. 7	B23456	1262	December 20, 1962
Merrell No. 8	B23457	1263	December 20, 1962
Hec No. 11 Fr.	299351	4814	June 17, 1963
Hec No. 12 Fr.	299352	4815	June 17, 1963
Hec No. 13 Fr.	299353	4816	June 17, 1963
Hec No. 14 Fr.	299340	4817	June 17, 1963
B No. 9	258389	4660	March 5, 1959
B No. 10	258390	4661	March 5, 1959
B No. 11	258391	4662	March 5, 1959
B No. 12	258392	4663	March 5, 1959
B No. 13	258393	4664	March 5, 1959
B No. 14	258394	4665	March 5, 1959
B No. 15	258395	4666	March 5, 1959
B No. 16	258396	4667	March 5, 1959
B No. 17	258397	4668	March 5, 1959
B No. 18	258398	4669	March 5, 1959
A No. 4 Fr.	258423	4644	March 1, 1959
A No. 5 Fr.	258414	4645	March 1, 1959
A No. 6	258424	4646	March 1, 1959
A No. 7	258425	4647	March 1, 1959
A No. 8	258426	4648	March 1, 1959
A No. 11	258421	4649	March 1, 1959
A No. 12	258422	4650	March 1, 1959
A No. 13	258413	4651	March 1, 1959
B No. 1	258381	4652	March 1, 1959
B No. 2	258382	4653	March 1, 1959
B No. 3	258383	4654	March 1, 1959
B No. 4	258384	4655	March 1, 1959
B No. 5	258385	4656	March 1, 1959
B No. 6	258386	4657	March 1, 1959
B No. 7	258387	4658	March 1, 1959
B No. 8	258388	4659	March 1, 1959
B No. 1 Fr.	258402	4673	March 5, 1959
B No. 2 Fr.	258403	4674	March 5, 1959
B No. 19	258399	4670	March 5, 1959
B No. 20	258400	4671	March 5, 1959
B No. 21	258401	4672	March 5, 1959
A1 No. 1 Fr.	252871	5293	December 16, 1958
A1 No. 2 Fr.	252872	5294	December 16, 1958
A1 No. 3 Fr.	252873	5295	December 16, 1958
A1 No. 4 Fr.	252874	5296	December 16, 1958
A1 No. 5 Fr.	260228	5297	December 16, 1958
A1 No. 6 Fr.	260229	5298	December 16, 1958
A1 No. 7	260230	5299	December 16, 1958

# FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30th JUNE, 1958

ASSETS		
CURRENT		
Cash — balances at bankers.....	\$ 53,687.97	
Accounts receivable.....	2,433.62	
Share subscriptions receivable.....	240,000.00	
Total current assets.....		296,121.59
DEPOSITS		
Sundry refundable.....	135.00	
Water rights application.....	2,162.00	
		2,297.00
PROPERTY AND EQUIPMENT — AT COST		
Mining properties and claims (see Note 1).....	393,140.34	
Development costs — per schedule 1.....	315,286.79	
Buildings and equipment.....	9,480.63	
Mill site.....	4,000.00	
Water rights.....	250.00	
		722,157.76
INCORPORATION EXPENSE.....		1,384.11
		<u>\$1,021,960.46</u>

LIABILITIES		
CURRENT		
Accounts payable.....	\$ 9,351.08	
Total current liabilities.....		9,351.08
SHARE CAPITAL		
Authorized.....	\$1,500,000.00	
3,000,000 shares of 50 cents each		
Issued and fully paid		
1,580,910 shares as at 15th November, 1957.....	\$ 790,455.00	
300,000 shares for cash.....	150,000.00	
1,880,910 shares as at 30th June, 1958.....	940,455.00	
Deduct: Discount and commissions allowed on issued shares.....	167,845.62	
		772,609.38
APPLICATION FOR SHARES RECEIVED		
100,00 shares at \$2.40 each.....	240,000.00	
		1,012,609.38
		<u>\$1,021,960.46</u>

NOTE 1: The company's mining properties, located near Merritt, B.C., are subject to the terms of an examination and operating agreement, dated 1st June, 1958, with Canadian Exploration Limited, Noranda Mines, Limited and Peerless Oil and Gas Company.

Approved on behalf of the Board,

"R. COLLISHAW", Director.

"N. H. McDIARMID", Director.

NOTE: Share options outstanding at the date of this balance sheet — two incentive options, both for 25,000 shares at 60c each (both at the rate of 5,000 shares per year).

## AUDITORS' REPORT

To the Members of Craigmont Mines Limited (Non-Personal Liability)  
Vancouver, Canada.

We have examined the balance sheet of Craigmont Mines Limited (Non-Personal Liability) as at 30th June, 1958 and the schedule of development costs for the period from 15th November, 1957 to 30th June, 1958 and have received all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached balance sheet and schedule of development costs are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at 30th June, 1958 and of its expenditures for the period from 15th November, 1957 to 30th June, 1958 according to the best of our information and the explanations given to us and as shown by the books of the company.

"FREDERICK FIELD & CO.",  
Chartered Accountants.

### SCHEDULE OF DEVELOPMENT COSTS

for the period 15th November, 1957 to 30th June, 1958.

15th November, 1957 — total development costs.....		\$ 135,024.24
<b>EXPENDITURES</b>		
Engineering and exploration.....	\$ 44,791.10	
Diamond drilling.....	95,933.20	
Rotary drilling.....	8,342.85	
Assays.....	3,112.80	
Surveying.....	7,379.87	
Camp operating.....	1,103.61	
Workmen's compensation.....	514.10	
Unemployment insurance.....	36.40	
Taxes — land.....	44.37	
Registration and filing fees.....	922.18	
Administration.....	1,735.11	
Office expenses.....	\$ 9,789.65	
Less: Interest income.....	1,351.20	8,438.45
<hr/>		
Advertising.....	209.90	
Legal.....	7,348.50	
Insurance.....	268.24	
Telephone and telegraph.....	81.87	
		<hr/> 180,262.55
30th June, 1958 — total development costs .....		<u>\$ 315,286.79</u>

# ENGINEER'S REPORT

## Craigmont Mines Limited Progress Report April and May, 1958

### EXPLORATION

During the first two months of the second quarter of 1958, exploration continued at an accelerated pace on Craigmont Mines Ltd. properties near Merritt, B.C. The number of diamond drills active from the surface was increased from two to four. A total of 4016 feet in eight holes was drilled during this two month period. A combination of an excessive amount of mechanical breakdown and difficult drilling conditions slowed progress to considerably below anticipated rates. Mechanical troubles appear to have been corrected by replacement of worn machines with better equipment. The drilling contractor has added more experienced drillers to his crew at the property and a considerable improvement in progress was noted for the last week of the period.

Results of drilling show that the ore horizon is considerably more complex than had been indicated earlier. First realization that the limey tuff, which forms the most favorable host for mineralization, does not continue downward with the steep dip to the south indicated in all holes cutting the zone above 3500 feet elevation came when hole 15 was drilled from the lower limit of commercial mineralization at 3250 feet to 3037 feet through highly altered rock more similar lithologically to the south or "hanging wall" material than to the diorite foot wall of the upper horizon. Two possible explanations for this occurrence are:

1. A dip reversal, plunging gently eastward from approximately 3600 feet elevation at hole 15 to 3400 feet elevation at hole 3, with the upper portion of the structure dipping south and the lower portion dipping north with an attitude as yet undetermined.

2. Complex faulting.

Conditions at section 200 W where holes 3, 5, 20 and 23 have partially exposed the structure over a vertical range of approximately 500 feet suggest that a combination of dip reversal, faulting and probably igneous intrusives cutting the ore zone may be present.

It is evident that much additional drilling together with underground exploration must be done before the actual conditions present can be determined.

### ORE RESERVES

In our report covering operations at the Craigmont Properties during the first quarter of 1958 we estimated that 5,585,200 tons of "Possible Ore" containing an average of 2.26% Cu was indicated to be present. Of this amount 4,525,000 tons averaged 16.1% Fe.

Drilling during April and May furnished additional data for use in ore reserve estimation which increase the reliability of average grade figures. However, the indicated structural complexity makes it apparent that further exploration and development are necessary before mining conditions can be determined and valid estimations of reserves in the "proven" category made.

The various classifications of ore reserves cannot be precisely defined and the terms are applied with somewhat different meanings by different appraisers. The word "ore" is universally taken to mean mineralized rock from which one or more metals (or non-metallic substances) can be extracted at a profit. Without profit there is no ore. Thus with changing conditions in markets, price, costs, metallurgy and similar factors there may be a constant shifting back and forth across the border-line between ore and waste. The classifications most commonly used in ore reserve calculations are: Proven (blocked out or assured), Probable (partially proven) and Possible. Definitions for these terms by two acknowledged authorities in mineral deposit appraisal are set forth below:

#### PROVEN ORE

"Proven or assured ore is ore blocked out in three dimensions by actual underground mining operation or by drilling, but it includes in addition minor extensions beyond actual openings and drill holes, where geological factors that limit the ore body are definitely known and where the chance of failure of the ore to reach these limits is so remote as not to be a factor in the practical planning of mine operation." (1)

"Proved ore ('Positive', 'Measured', 'Assured', 'Ore in sight', 'Blocked out') should be calculated to such accuracy that it is reasonable to adjust for dilution, loss in pillars etc. Proved ore is generally blocked out by development openings on four (or more) sides in such a way that there is a strong probability that the average value of grade and ultimate tonnage are correct within certain fairly close limits. Size of block, number of samples, variability of orebody will affect the decision whether ore is 'proved' or 'probable'. In alluvial deposits or coal seams drill holes at suitable intervals may 'prove' reserves." (2)

#### PROBABLE ORE

"Probable or semiproven ore covers extensions near at hand, where conditions are such that ore will probably be found but where the extent and limiting conditions cannot be so precisely defined as for proved ore. Semiproven may also mean ore that has been cut by scattered drill holes, but too widely spaced to assure continuity." (1)

"Probable ('Indicated', 'Expected', 'Partly blocked out') ore is less well known and defined. Usually it is developed on 3 or 2 sides, or sometimes a limited distance, beyond the last opening if geological evidence shows a strong probability of continuation. Probable ore is sufficiently well known and assured to apply approximate corrections for dilution and pillar loss." (2)

#### POSSIBLE ORE

"Ore is classed as 'possible' or 'prospective' where the relations of land to adjacent ore bodies and to geologic structures warrant some presumption that ore will be found but where the lack of exploration and development data precludes anything like certainty of its actual location or extent." (1)

" 'Prospective' or 'Possible' ore is not usually classed as part of the ore reserves. It includes all ore which may be won, but the presence of which is not supported by the evidence of adjacent development openings or their equivalent. Although possible ore cannot be included in reserves, or be quantitatively estimated with any degree of exactness, it may affect in an important way the real present value of a mine. Estimation of prospective or possible ore rests mainly on geological evidence and considerations, including evidence from regional studies, adjacent mines, etc. Methods of estimation and calculation (if any) should be stated and the degree of risk assessed." (2)

(1) C. K. Leith, Prof. of Geology, University of Wisconsin

(2) University of Melbourne — Course in mine valuation

In our opinion, development of the Craigmont orebody has progressed sufficiently to permit classification of most of the partially delineated ore horizon as "Probable Ore". The reservation must be made that cost estimates must remain no better than "educated guesses" until mining conditions can be observed in underground workings. Reasonable extensions of the partially measured zone may be properly classified as "Possible Ore".

Tabulated below are results of ore reserve calculations for the Craigmont orebody as of June 1, 1958.

TABLE I  
SECTIONS USED IN ORE RESERVE CALCULATIONS

Section	Drill Holes	Width	Depth	Area	%	%
		Ft.	Ft.	Sq. Ft.	Cu	Fe
200W	3, 5 and 20	80	400	32,000	0.71	23.0
590W	4	80	450	36,000	0.77	15.9
785W	21	80	620	49,600	1.54	18.4
875W	15 and 19	168	800	134,500	3.75	27.0
1055W	11 and 12	80	300	24,000	1.83	28.0
1150W	7	172	560	96,320	2.34	27.0
1270W	8	210	320	67,200	1.27	18.6
1460W	17	165	400	66,000	1.78	17.6
1655W	22	50	67	5,159	1.54	12.6

TABLE II  
PROBABLE ORE RESERVES — JUNE 1, 1958

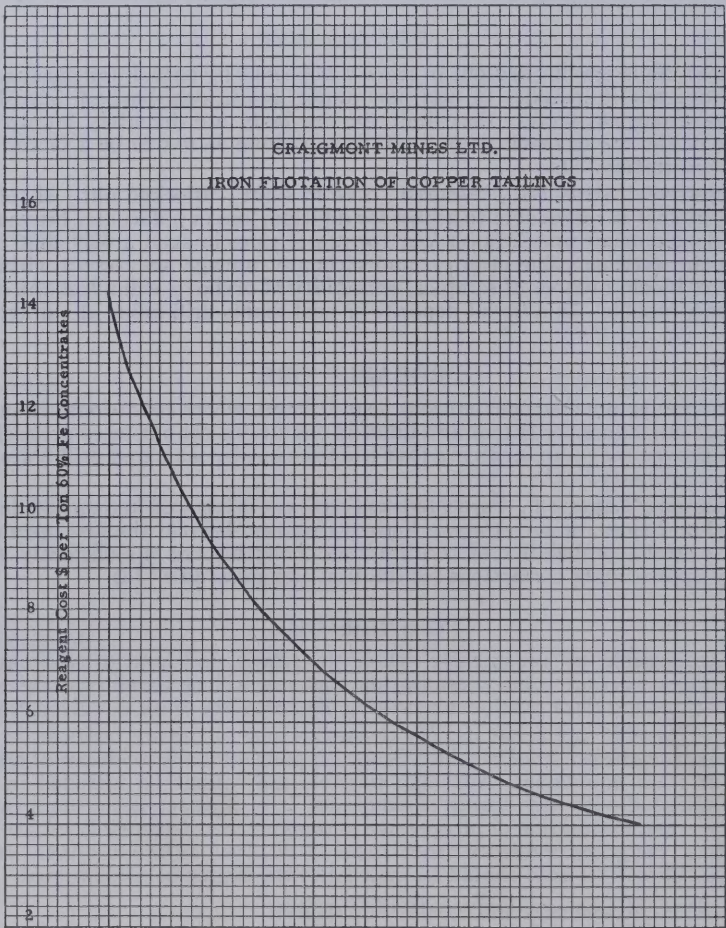
Sections	Tons	Average % Cu	Grade % Fe
200W — 590W	1,326,000	0.74	19.2
590W — 785W	834,800	1.22	17.3
785W — 875W	828,500	3.15	24.7
875W — 1055W	1,426,500	3.46	27.2
1055W — 1150W	571,500	2.24	27.2
1150W — 1270W	981,100	1.90	23.5
1270W — 1460W	1,265,400	1.52	18.1
1460W — 1655W	871,200	1.77	17.4
TOTALS	8,105,000	1.99	21.7

Estimates of possible ore were made by taking the observed strike length of 1260 feet + 140 feet = 1400 feet, the average width measured to date, 144 feet, and an average depth of 1000 feet less the 8,105,000 tons of probable ore within the block. This gives:

$$(1400) (144) (1000) - 8,105,000 = 12,055,000 \text{ Tons of possible ore.}$$

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It should be noted that grade figures are still strongly influenced by the high values in drill hole 15.



## IRON

Studies into the possibility of economic extraction of the iron values in Craigmont ores are to date not too encouraging. While a concentrate assaying approximately 60% Fe containing about 70% of the recoverable iron can be recovered from copper tailings by flotation, the cost of reagents for such a process is so high (see graph) that the operation would not be profitable.

A method of direct reduction of iron ores called the R-N Process, developed by National Lead Company and Republic Steel Company appears slightly more promising. At the present, it can only be said that the apparent tonnage and iron content of Craigmont ores justify preliminary test work to determine amenability of the material to the process and permit an economic analysis of its use.

## PROPOSED PROGRAM

It is planned to continue drilling from the surface with four machines. At the same time an adit will be driven at 3500' elevation from a portal in the vicinity of Birkett Creek, through the ore body near drill holes 3 and 5 and westward along the "footwall". This entry will:

1. Permit observation of mining conditions and selection of proper mining methods.
2. Provide samples for comprehensive metallurgical test work.
3. Permit cheaper exploration of downward extensions of the ore horizon by diamond drilling from underground stations.
4. Serve as a main haulage-way if the lower limit of the ore is found to be close to the adit's floor or as an upper working level if significant downward ore extensions are found to exist.

Proposed collar locations for future drill holes, the approximate position of the proposed adit and the indicated limits of the ore zone at the 3500 foot elevation are shown on the plan map which accompanies this report. Current data has been added to the sepia print furnished by Canadian Exploration Limited.

## OPERATING AGREEMENT

At meetings held in Vancouver May 26 through June 4th, an agreement was reached under which exploration and development of the Craigmont properties will be completed, and, if conditions warrant it, the mine will be brought into production and operated. When formal papers have been executed, Canadian Exploration Limited, Noranda Mines Limited and Peerless Oil and Gas Company will become operators of the property. Salient features of the Agreement are:

1. All benefits from exploitation of the ores from the property will accrue 60% to the Operators and 40% to Craigmont.
2. Preproduction expenses of Operators and of Craigmont will be returned to the respective parties in proportion to the sums involved from 80% of the net cash flow.
3. The remaining 20% of the net cash flow will be distributed 60% to Operators and 40% to Craigmont.
4. Operators are firmly bound to expend \$500,000 in a period not exceeding 18 months commencing June 1, 1958 and to carry out the underground development program described above. They may elect to enter a second exploration period not to exceed a second 18 months by agreeing to spend a second \$500,000.
5. Operators must not later than three years following June 1, 1958 elect whether or not to bring the property into production.
6. Ownership of the property remains 100% Craigmont's.
7. Ownership of improvements placed on or in the vicinity of the property for use in treating ores from the property, including mills, smelters and any plant for recovery of iron will be 60% in Operators and 40% in Craigmont.

In our opinion the terms of this agreement are favorable to the stockholders of Craigmont. Included among the Operators are large, well managed operating mining companies with personnel and experience to carry out exploration, development and exploitation of the property expeditiously and efficiently.

The operating records of these companies are among the best in the world with respect to production costs.

The financial standing of the operating group assures availability of funds on favorable terms for providing facilities for production at any conceivable level.

## SUMMARY

During the period of April and May, 1958 continued diamond drilling on Craigmont's properties has increased partially measured ore reserves from 5,585,200 tons of possible ore at 2.26% Cu (approximately 80% of which averaged 16.1% Fe) to 8,105,000 tons of probable ore averaging 1.99% Cu and 21.7% Fe. We estimate the presence of an additional 12,055,000 tons of possible ore of presently undetermined grade.

While no limits have been discovered either to the east or to the west along the strike or down dip, the mineralized zone appears to become thinner and lower in grade to the east and narrower to the west. While grade, especially in copper, is indicated to be higher in the lower portions of the partially explored zone, structural conditions may complicate downward extensions.

The Operating Agreement between Craigmont, as owner, and Canadian Exploration Limited, Noranda Mines Limited and Peerless Oil and Gas Company as operators insures expeditious development of the deposit and, if warranted, bringing the property into production under terms favorable to Craigmont.

We continue to be optimistic regarding the potential of the Craigmont deposit and believe that it has been placed in hands which will derive the maximum benefit for all parties concerned.

CHAPMAN, WOOD AND GRISWOLD

"E. P. CHAPMAN, Jr."

Registered Professional Engineer and Land Surveyor, New Mexico.

June 16, 1958

# AFFIDAVIT

STATE OF NEW MEXICO }  
County of Bernalillo } ss.

E. P. Chapman, Jr., being duly sworn, upon his oath deposes and says:

1. That he is a consulting geological engineer and a partner in the firm of Chapman, Wood and Griswold, Consulting Mining Engineers and Geologists, with offices at 530 Jefferson Street, NE, Albuquerque, New Mexico.

2. That he is a licensed professional engineer and land surveyor in the State of New Mexico and a licensed professional engineer in the States of Colorado and Texas and in the Province of British Columbia, Canada; that he graduated from Colorado School of Mines with the degree of Geological Engineer in 1935 and that he has been continuously engaged in mining, geological and metallurgical work since that time.

3. That he has been the owner of 700 shares of the common stock of Craigmont Mines Ltd. since February, 1958; that no other member of the firm of Chapman, Wood and Griswold nor of his family owns any shares of Craigmont Mines Ltd. stock; that his wife, Virginia Harwood Chapman, owns 1000 shares of the common stock of Placer Development Company and that Canadian Exploration Ltd., a wholly owned subsidiary of Placer Development is one of three companies engaged in exploration and development of the mining properties owned by Craigmont Mines Ltd.; that the firm of Chapman, Wood and Griswold is retained by Craigmont Mines Ltd. on a regular monthly basis to act as technical advisors and consultants and are paid for such services at a fixed rate in cash; and that he has no other interest or contingent interest direct or indirect in the properties of Craigmont Mines Ltd.

4. That the Progress Report — April and May, 1958, was based on personal study of weekly progress reports mailed directly to him by the engineers of Canadian Exploration Ltd. and a week spent in Vancouver, B.C. reviewing maps, assays and other factual data with these engineers who had been actually engaged in the exploratory work described; that he personally made the calculations of ore reserves and grade contained in the report from data furnished by Canadian Exploration Ltd.; that he has seen many, but not all, of the original or photostatic copies of assay certificates from J. R. Williams & Son Ltd. of 580 Nelson Street, Vancouver 2, B.C., pertaining to the samples used in his evaluation; that while he did not visit the mining properties during April and May, 1958, he has examined them from time to time in the past, the last such visit having taken place during March of 1958; that he has personally examined and studied typical diamond drill cores at the properties and has conducted metallurgical test work on portions of such cores; that he participated in the negotiations that culminated in an agreement between Craigmont Mines Ltd. and Canadian Exploration Ltd., Noranda Mines Ltd. and Peerless Oil and Gas Company and that he is thoroughly familiar with the terms of that agreement.

"E. P. CHAPMAN, Jr."

SUBSCRIBED and sworn to before me this 12th day of September, 1958.

"DOROTHA L. ROBERTSON",

Notary Public.

(My Commission Expires Feb. 4, 1961.)